

63-7
AW

JER:HCB

October 4, 1940

MEMORANDUM FOR MR. CLEGG

MR. E. A. Tamm

In conference with the Secretary of the Treasury this morning, he expressed his desire to concentrate entirely upon an analysis and digest of the expenditures of the foreign embassies and consulates in the United States, particularly of the Axis powers. He stated he had designated Mr. Campbell, of the General Counsel's office of the Treasury Department, to digest this material for him. He stated that Mr. Klaus for two years had been assigned to the Annesburg case, and worked in close collaboration with Mr. Campbell, United States Attorney at Chicago. He stated that Mr. Klaus is a man of extreme enthusiasm and energy, and he wished to caution me that he might try to run the whole FBI if we permitted him to do so. He stated he was taking the statement out of friendly caution because of the zealousness and enthusiasm of Mr. Klaus, but there was no question that he was able and could get results.

I told the Secretary that we had just completed summaries upon such information as we had obtained pertaining to the funds of the German, Japanese, Italian, French, and Russian Governments and that I would get in touch with Mr. Klaus within the next 24 hours so that he could go over this material and begin to outline his ideas so that we could pursue the matter further.

The Secretary stated he had in mind having Mr. Klaus prepare a digest which would point out the legitimate attaches of the Embassies and Consulates, and those which are so-called "Illegitimate." He stated he believed that if such a picture could be prepared, the President would demand that the surplus on "illegitimate" personnel of these agencies be withdrawn and returned to their countries. He stated he believed this picture can be obtained by scrutinizing the accounts and payments of these various agencies.

I would like to have Mr. Clegg and Mr. Tamm contact Mr. Klaus immediately and arrange for a conference with him so that this entire matter can be gone over and I could have a picture of exactly what we have furnished him, with copies of the memoranda recently prepared, and obtain from him any ideas which he would like to have followed out in this matter.

I want to establish cordial, cooperative, and close relationship with him. It should be kept in mind that the Secretary

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CCNY

Mr. Clegg
Mr. E. A. Tamm

- 2 -

October 4, 1940

indicated Mr. Klaus may be a rather difficult person to work with. I informed the Secretary that I was quite certain we could get along with him; that all we were interested in was in obtaining the ultimate results, and that such irritation of personalities which might arise during the course of the contact could be overlooked or smoothed out, in my estimation.

Please keep me informed of the developments in this matter.

Very truly yours,

John Edgar Hoover
Director

Office Memorandum • UNITED STATES GOVERNMENT

DML:CSH

TO : MR. E. A. TANN

DATE:

FROM : D. M. Ladd

July 4, 1944

SUBJECT: Post-war Economy Plans, by
Foreign Economic Administration

On July 3, 1944 Mr. Sam Klaus of the Treasury Department called at my office and advised that he was being loaned part-time to the Foreign Economic Administration to work in connection with post-war economy.

He stated that following World War I, Germany was required to destroy its armament, but was permitted to retain its factories for peacetime production, and the factories were so set up that they could be converted on short notice to war production; that certain of its industries were moved out of Germany in order that Germany's technicians could continue developing and working on war equipment; that this included the SKF factories, which were moved to Stockholm, and some airplane factories which were moved to the suburbs of Moscow; that other of its technicians were sent out to other countries for the purpose of working in war industries, such as airplane factories, et cetera, in order that they might keep abreast of developments in those fields, and that in connection with the post-war planning for the present war it is the desire of FEA to shut off the transferring of industry and technicians outside of Germany in order that they will not continue to receive the training and development which would permit them to return to Germany a few years after the peace and again start war production. To this end Mr. Klaus advised he is desirous of tracing the arrival of technicians, the transfer of German funds and German industry to other countries, and he stated this would be particularly true with regard to Argentina; that the FEA would like to receive reports indicating any influx of technicians or German industry into Argentina; further, that he would like to receive information concerning the connections of various prominent Germans in either the United States or Argentina. He stated he is going to compile a list of close contacts or friends of Dr. Schacht who are believed to be in the United States and that the FEA would like to receive information from the Bureau with reference to the activities of these individuals.

I told Mr. Klaus that the Bureau would, of course, furnish any such information which it might receive to the FEA, and that when he furnished the list of close contacts of Dr. Schacht in this country inquiry would be made concerning their activities.

Mr. Klaus advised it is his plan to go to Europe in the near future, stopping in Lisbon, London and possibly in Italy, for the purpose of going over with the FEA representatives then the type of information which he desires, and that when he does so he would like to also drop in and see the Bureau's liaison representatives in those countries in order that he may advise them of the program which the FEA is undertaking.

I believe we should cooperate with Klaus and the FEA in this project.

Mr. Tolson
Mr. E. A. Tann
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Mohr
Mr. Carson
Mr. Hendon
Mr. Mumford
Mr. Jones
Mr. Quinn Tann
Tele. Room
Mr. Nease
Miss Nease
Miss Candy

RECORDED & INDEXED 162-6026-2

JPJ:FJS

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

August 14, 1944

To: COMMUNICATIONS SECTION.

Transmit the following message to:

62-60056-3

X URGENT - CABLEGRAM - CIPHER PAD

RECORDED

EX-12

Mr. M. J. Lynch Serial 383
 Legal Attaché aut 8/16/44 1:50 P.
 The American Embassy
 London, England

Mr. Dennis A. Flinn Serial 144
 Legal Attaché aut 8/16/44 2:05 P.
 The American Legation
 Lisbon, Portugal

Mr. Frank G. Siscoe Serial 52
 Legal Attaché
 The American Embassy aut 8/16/44 1:03 P.
 Madrid, Spain

SAM KLAUS, UNITED STATES TREASURY OFFICIAL, CONSULTANT TO FOREIGN ECONOMIC ADMINISTRATION ON TRIP TO EUROPE FOR PURPOSE OF OBTAINING INFORMATION RELATIVE TO FLIGHT OF AXIS CAPITAL AND TRANSFERRING INDUSTRY AND TECHNICIANS FROM GERMANY. PURPOSE OF GERMAN ACTIVITY BELIEVED TO BE FOR PRESERVATION OF INDUSTRIAL FACILITIES IN PREPARATION FOR NEW WAR. BUREAU DESIRES YOU EXTEND COURTESIES TO KLAUS AND COOPERATE WITH HIM. FURNISH BUREAU WITH DETAILS OF ANY INFORMATION RELATIVE TO THIS PROJECT.

cc - European Desk
 Room 2242

Tolson _____
 E. A. Tamm _____
 Clegg _____
 Coffey _____
 Glavin _____
 Ladd _____
 Nichols _____
 Rosen _____
 Tracy _____
 Mohr _____
 Carson _____
 Hendon _____
 Mumford _____
 Jones _____
 Quinn Tamm _____
 Nease _____
 Gandy _____

SIS copy detached
8-15-44

8/16/44

Aug 12 1944 358

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Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

JPJ:FJS

August 14, 1944

MEMORANDUM FOR MR. E. A. TAMM

Re: Postwar Economy Plans by
Foreign Economic Administration

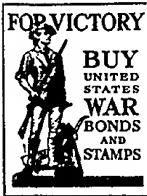
Reference is made to my memorandum to you dated July 12, 1944, concerning the above-captioned subject in which it was stated that Mr. Sam Klaus of the Treasury Department, who is loaned to the FEA, called at my office explaining that he planned to go to Europe in the near future for the purpose of securing information concerning the flight of German capital, production facilities and technicians out of Germany. It will be remembered that Mr. Klaus stated that the FEA was interested in preventing a recurrence of German activity just prior to the end of World War I, at which time certain of Germany's industries were moved to neutral countries in order to preserve its facilities for creating a new war machine. It was thought that we should cooperate with Klaus and the FEA on this project.

DETAILS

On August 2, 1944, Supervisors James Joice and Joseph Horn conferred with Mr. Klaus in his office concerning this project, at which time he outlined the details of the information which he desired to obtain from Argentina. Mr. Klaus stated at this time that he had the names and addresses of Bureau representatives in England, Portugal, Spain and Italy, and that he intended to contact them upon his arrival in those countries. He also stated that he was relying entirely upon the Bureau for information concerning this project in Latin America and had at the present time no intention of either sending representatives to Argentina or going there himself.

Mr. Klaus was advised that for some time the Legal Attaché in Buenos Aires had been alerted to the possibility of German officials transferring funds to Argentina as a safe haven in preparation for Germany's downfall. He was also advised that this project would receive continued attention and that he would be promptly advised as to any results obtained from inquiries in Argentina.

In response to a request, Mr. Klaus promised that he would advise the Bureau of any information coming into his possession as a result of his activities in Europe which would give any indication as to the methods used in transferring capital or industrial "know-how" to Latin America. Mr. Klaus is in hopes that he will be able to obtain the assistance of all American Intelligence Agencies operating in Europe.



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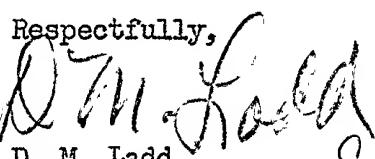
Memorandum for Mr. E. A. Tamm

I have been advised that Mr. Klaus has reservations for leaving this country for London, England, aboard the Pan American Airways on Tuesday, August 15, 1944.

ACTION

The four Bureau Liaison Offices in Europe have been advised of the impending arrival of Mr. Klaus and they have been instructed to extend him any courtesies and cooperation possible. The Legal Attaché in Buenos Aires, Argentina have been informed of the details of this project of FEA, and has been instructed to obtain the necessary coverage in order to learn of the German activities in this matter.

Respectfully,



D. M. Ladd



Communication #408

Rome, Italy -
August 21, 1944

MEMORANDUM TO THE DIRECTOR

RE: SAM KLAUS, United States Treasury Official

Reference: Bureau Wire concerning SAM KLAUS, dated August 17, 1944

The writer this date received the above wire, and will extend every courtesy possible to Mr. Klaus, such as arranging for billets, messing facilities and other personal needs.

The writer will introduce Mr. Klaus to persons who can be of assistance to him in his project, particularly one SANTORRE VEZZARI, who was an Italian Commercial Attaché to Madrid, Spain, from July of 1941 to August of 1942. The writer will furnish to Mr. Klaus all information which he has which is in line with Mr. Klaus's project.

The writer will arrange for Mr. Klaus to give the writer copies of his reports.

Respectfully submitted,

Frank L. Amprim

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SEP 1944

(S) BPK

(S) BPK

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT

Europe

RDA:AK

To: COMMUNICATIONS SECTION.

April 10, 19

Transmit the following message to:

Mr. M. Joseph Lynch
Legal Attaché
The American Embassy
London, England

RECORDED

URGENT CABLEGRAM
CIPHER PAD

SAMUEL KLAUS OF FEA DEPARTING FOR LONDON AND PARIS TO WORK ON
HAVEN PROJECT. BE COURTEOUS BUT EXTREMELY CIRCUMSPECT. ADVISE AYER AT

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delivered

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E. A. Tamm _____
Clegg _____
Corfey _____
Glavin _____
Ladd _____
Nichols _____
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Tracy _____
Mohr _____
Carson _____
Hanson _____
Mumford _____
Jones _____
Quinn Tamm _____
Nease _____
iss campy _____

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SENT VIA cable 1/45
P.M.

Per DmTCK

Office Memorandum • UNITED STATES GOVERNMENT

JH:EW

TO : Mr. D. M. Ladd

FROM : J. C. Strickland

SUBJECT: SAMUEL KLAUS OF FEA DEPARTING FOR PARIS, FRANCE

DATE: April 7, 1945

Mr. Tolson	_____
Mr. E. A. Tamm	_____
Mr. Cleary	_____
Mr. Coffey	_____
Mr. Glavin	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Vohr	_____
Mr. Carson	_____
Mr. Hendon	_____
Mr. Mumford	_____
Mr. Jones	_____
Mr. Quinn Tamm	_____
Tele. Room	_____
Mr. Nease	_____
Miss Beahm	_____
Miss Gandy	_____

Mr. Samuel Klaus telephonically informed Mr. Joseph Horn that he was leaving for the Continent of Europe and proceeding directly to Paris on an official mission for the Foreign Economic Administration. His work will relate to coordinating activities with regard to the safe haven project and obtaining data with regard to property held by enemy nationals in the United States.

RECOMMENDATION:

It is recommended that our people in France be notified to offer Mr. Klaus the usual cooperation.

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162-647-76
APR 10 1945
SJS

mt

Mr. Tolson
Mr. E. A. Tamm, M.
Mr. Clegg
Mr. Crowley
Mr. Glavin
Mr. LaM
Mr. N. Cole
Mr. Rosen
Mr. Tracy
Mr. Tolson
Mr. Crowley

Red

Did You Happen to See —

SAMUEL KLAUS?

A slim, dark-eyed, moustached young man sits watching the latest movie thriller about gangsters, racket-busters, spies and saboteurs and mumbles to himself, "That's certainly not the way it happens in real life."

He's Samuel Klaus, the movie-going, mystery-story-loving, racket-busting, spy-catching, super-sleuth lawyer who's now assistant general counsel of the Foreign Economic Administration.

And when he goes to the movies, as he often does, the above scene frequently happens, much to the disappointment of this former chief troubleshooter of the Treasury Department.

"I spent two years in Chicago racket-busting during Al Capone's days on loan from the Treasury to the U. S. Attorney's office there. And I never carried a gun, had threats made against my life, or a shot taken at me."

"The gangsters weren't a bit like movie gangsters, and certainly weren't anything to be scared of. They considered themselves business men to whom getting caught was just one of the risks of the business," he says.

"So long as you were a square shooter and were square with them, you weren't threatened with being taken for a ride, even though you were, so to speak, getting the goods on them."

"I've caught spies, too. And they weren't like the spies in movies," he adds, no doubt referring to his tracking down the German assets in this country before Pearl Harbor. Then later taking over the German-controlled companies for the Government, investigating them, and uncovering the spies in them.

Wiry Brooklyn-born Sam



SAMUEL KLAUS

Klaus came to Washington 11 years ago to do a special three-months job for the Treasury. To come, he took a leave of absence from the New York law firm he had been associated with since his graduation from Columbia University, where he was first in his class and later taught.

But he never went back, for he stayed on as special assistant to the general counsel of the Treasury for 10 years, being loaned out now and again to other Government agencies to do difficult jobs.

After being loaned out to Leo Crowley for a special job in Europe, Sam returned and became assistant general counsel for FEA in November. He's a bachelor because "no one asked him," and thinks now he'll stay on in Washington "forever."

EILEEN ETTEEN.

62-115-A
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87 DEC 18 1944

WASHINGTON TIMES-HERALD
December 14, 1944

To file

assemble Aug

61 DEC 1944 612

Office Memorandum

UNITED STATES GOVERNMENT

TO : MR. TAMM
 FROM : D. M. Ladd
 SUBJECT:

DATE: August 12, 1946

Mr. Tolson _____
 Mr. E. A. Tamm _____
 Mr. Clegg _____
 Mr. Glavin _____
 Mr. Ladd _____
 Mr. Nichols _____
 Mr. Rosen _____
 Mr. Tracy _____
 Mr. Carson _____
 Mr. Egan _____
 Mr. Gurnea _____
 Mr. Harbo _____
 Mr. Hendon _____
 Mr. Pennington _____
 Mr. Quinn Tamm _____
 Tele. Room _____
 Mr. Nease _____
 Miss Beahm _____
 Miss Gandy _____

With reference to the two attached pink memoranda relative to statements made by Joe Panuch and Sam Klaus, I discussed this matter in detail with [redacted] and inquired whether there would be any objection for the Bureau to send for these two individuals and tell them that information has been received concerning statements made by them and point out to them the inaccuracies of these statements.

b7D

[redacted] stated that it would be [redacted]
 [redacted]

[redacted] this information had been furnished to the Bureau to assist the Bureau in any further dealings with these two individuals and not with the idea of having the Bureau take any action thereon.

DML:da

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56 SEP 4 - 1946

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 EX-15
 JH

Mr. Tolson _____
 Mr. E. A. Tamm _____
 Mr. Clegg _____
 Mr. Coffey _____
 Mr. Glavin _____
 Mr. Ladd _____
 Mr. Nichols _____
 Mr. Rosen _____
 Mr. Tracy _____
 Mr. Carson _____
 Mr. Egan _____
 Mr. Hendon _____
 Mr. Pennington _____
 Mr. Quinn Tamm _____
 Mr. Nease _____
 Miss Gandy _____

August 2, 1946

MEMORANDUM FOR MR. LADD

Mr. Roach has learned [redacted]

[redacted] that Mr. Samuel Klaus, who is working for Mr. Joseph Panuch of the State Department, has in his recent [redacted] highly critical of the Bureau.

He has informed Mr. Panuch [redacted]

[redacted] Klaus is of the opinion that the Bureau should supply all information on Communist groups, Communist sympathizers and related matters to the State Department for their review.

[redacted] Klaus has argued that under the Bureau's appropriation bill it is incumbent upon the Bureau to supply any and all information to the State Department that the Department desires and that in short "in such matters the Bureau is working for the State Department." [redacted]

[redacted] determined that based on this theory that the Bureau's appropriations call for such action, Klaus is contacting some of his friends in the Bureau of the Budget and has requested them to make very minute examinations of the Bureau's appropriations to determine whether or not it would be possible to force the Bureau to supply more information to Klaus and his group in the State Department. [redacted]

[redacted] under the present procedure the Bureau's supplying information in given names is all that can be desired.

[redacted] stated that he desired to pass this information on to the Bureau feeling that it would be of vital interest.

Respectfully,

E. G. Fitch

RRR:VPS

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Mr. Tolson

Mr. E. A. Tamm

Mr. Clegg

Mr. Coffey

Mr. Glavin

Mr. Ladd

Mr. Nichols

Mr. Rosen

Mr. Tracy

Mr. Carson

Mr. Egan

Mr. Hendon

Mr. Pennington

Mr. Quinn Tamm

Mr. Nease

Miss Gandy

b6

b7C

b7D

August 1, 1946

MEMORANDUM FOR THE DIRECTOR

Mr. Roach has learned from unimpeachable sources and reliable individuals [redacted] that there are vicious rumors being circulated concerning the Director, dealing with alleged statements made by him while discussing [redacted]. It is my belief that the statements made [redacted] have gone beyond rumor and can best be classified as lies. [redacted] is the individual who is responsible for starting the false statements indicated.

Recently one of Mr. Roach's informants attended a conference in [redacted] Alger Hiss case came up. It was during this discussion that [redacted] that the Director was not able or willing to back up the cases submitted to the State Department. [redacted] stated to those at the conference that the following conversation ensued when the Director of the FBI called on Mr. Byrnes to discuss the Hiss case some time ago.

Secretary Byrnes: "Edgar, do you believe that the information you have on Hiss would warrant my firing him? Would you under the same circumstances dismiss Hiss if he was an employee of the FBI?"

Mr. Hoover: "I don't know whether I would or not. As a matter of fact I would suggest that Hiss not be fired at this time. Let us do a little more checking and see what information we can develop. As you know, liberal and minority groups would raise all kinds of trouble for the State Department if Hiss were dismissed at this time."

A second incident occurred which informants [redacted] however, it is stated that they are of the firm belief that the same rumor and lies have their source with [redacted] It is stated that at a subsequent conference in [redacted] at which time a discussion of [redacted] arose.

A further piece of gossip originating from [redacted] recently when one of the informants was present. At this time [redacted] was discussing the relative [redacted] According to the informant he [redacted]

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Memorandum for the Director

August 1, 1946

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[redacted]
He further remarked that [redacted]

The informants

who advised Mr. Roach of these facts stated that they [redacted] the state-
ments [redacted] were nothing but bold-faced lies but that notwithstanding this they
were not in a position to refute these statements in any place of authority, and that

Mr. Roach pointed out to the informants that the statements [redacted]
could not be properly classified as rumor and idle talk, but unadulterated lies, and
told the informants that such statements [redacted]

It was learned from further discussion with the informants that [redacted]
apparently is being sold a bill of goods by a group of individuals [redacted]
[redacted] The following names were
given to indicate those individuals who are [redacted]

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Mr. Samuel Klaus, Assistant to William L. Langer, now handling intelligence
matters at the State Department.

Concerning the present activities of [redacted]
[redacted] informed Mr. Roach [redacted] is doing everything in his power to
break up the [redacted]
has even gone so far as to delegate authority to Sam Klaus [redacted]

[redacted]
Some informed sources [redacted] are of the opinion
that no action will be taken [redacted]

[redacted] The authenticity of this statement however is not known.

Respectfully,

D. M. Ladd

RRR:VPS

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy * _____
Mr. Carson _____
Mr. Egan _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

MEMORANDUM FOR

THIS MEMORANDUM IS FOR ADMINISTRATIVE PURPOSES
TO BE DESTROYED AFTER ACTION IS TAKEN AND NOT SENT TO FILES

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director *E. A. Tamm*

FROM : D. M. Ladd

SUBJECT: SAMUEL KLAUS,
JOSEPH PANUCH

DATE: September
12, 1946

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Nadd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tel. Room
Mr. Nease
Miss Beahm
Miss Gandy

At the request of [redacted] the following information was obtained by Mr. Roach [redacted] from whom Mr. Roach obtained this information stated that under no circumstances should any of the information be used outside the Bureau, which has its origin from [redacted]

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SAMUEL KLAUS INFORMATION CONTAINED

UNCLASSIFIED

1-10-90 BY 2781723776
286,305-001BACKGROUND

Mr. Klaus was born on August 29, 1904 at Brooklyn, New York. His father, Michael Klaus, was born in Russia, and immigrated to the United States on or about January 1, 1895. He was naturalized in the United States District Court, 14th District, New York, about January, 1903. That portion of Russia where Michael Klaus was born during the interbellum was Lithuania.

EDUCATION

Klaus attended City College of New York and received his AB Degree in 1924. He later attended Columbia Law School receiving his LL.B Degree in 1927. From 1925 to 1928 he served as an assistant lecturer in law.

EMPLOYMENT

From June to December, 1928, Mr. Klaus was employed with the law firm of Sapiro and (Joseph) Aranon, 80 Broad Street, New York City. On December 1, 1928, he entered upon employment with the law firm of Chadbourne, Wallace, Burke and Whiteside, 25 Broadway, New York City. He remained at this employment until July 23, 1934.

RECORDED

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On June 26, 1934, he entered on duty with the United States Treasury Department under the National Banking Emergency Act under temporary appointment as attorney at \$7,000 per annum in the Office of the General Counsel. By extension of this temporary appointment he served continuously in that position until August 16, 1940, when he was promoted to Head Attorney, P-7 at \$7,500 per annum. On October 15, 1942, Mr. Klaus was put in a classified Civil Service position under the provisions of the Ramspect Act as Special Assistant to the General Counsel, P-7 at \$7,500 per annum. On November 15, 1944 he voluntarily resigned to accept the position of Assistant General Counsel, P-8, \$8,000 per annum in the Foreign Economic Administration. During his tenure in the Treasury Department he was accepted as a protege of the former Secretary of the Treasury, the Honorable Henry Morgenthau, Jr. He engaged

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DO NOT FILE

Memorandum for the Director

in various types of special assignments, including the handling of tax fraud prosecutions and other assignments directed from the General Counsel's or the Secretary's Office.

Under Executive Order 9630, Mr. Klaus was transferred from the Foreign Economic Administration to the State Department, P-8, as a Special Assistant on October 21, 1945. He presently holds this position.

PASSPORT RECORD

Passport No. 398208 was issued to Mr. Klaus on June 4, 1931 at New York City, valid for a visit of approximately two months to Germany, Switzerland, France and Austria.

Passport No. 8768 was issued to Mr. Klaus on June 26, 1933 at New York City, valid for travel in France, England, U.S.S.R. and Poland.

Passport No. 231718 was issued on July 26, 1935 at New York City, valid for travel to Switzerland, Italy, France and England.

Passport No. 585 was issued to Mr. Klaus on July 23, 1937 at Washington, D. C., no destination indicated.

Special passport No. 39822 was issued to Mr. Klaus on August 10, 1944 at Washington, D. C., valid for travel to the United Kingdom, Sweden, Portugal, Spain, Turkey, North Africa, as "Government Official". This same passport was revalidated on April 6, 1945 for travel to the United Kingdom as "F.E.A. Official". The first trip made abroad on this passport was in connection with the initiation of the Safe-haven Program sponsored by the Treasury Department, F.E.A. and State Department.

GENERAL INFORMATION

There is no record of Mr. Klaus in the Dies Committee file. He has one sister, Ida Klaus, presently residing at 401 23rd Street, N. W., Washington, D. C.

In filling out one of his applications for Federal employment, Mr. Klaus listed the following as references: Federal Judge William J. Campbell, U. S. District Court, Chicago, Illinois; Henry Morgenthau, Jr., former Secretary of the Treasury; Joseph J. O'Connell, General Counsel, Treasury Department; John C. Wiley, American Ambassador to Colombia, and William O. Douglas, Justice, United States Supreme Court. All of these individuals when interviewed, with the exception of John C. Wiley, who was not contacted, recommended Mr. Klaus highly from every standpoint.

Memorandum for the Director

OTHER Order of Settlement & Dismissal 10/13/89

[Redacted]

It is reported but not confirmed that Klaus is a member of or connected in some manner with the Anti-Defamation League.

Klaus has authored a number of publications dealing with law and sociology and considers himself an authority on the liberal movement.

JOSEPH PANUCH

He attended St. Joseph's Academy in New York City, which institution is now defunct. At the age of 14 (1913) he entered Fordham Prep School, at which time it was indicated he was born in 1899, however, the place and the exact date were not indicated. The bills for tuition and other charges were to be forwarded to Mrs. M. Panuch ~~Gardine~~. After attending Fordham Prep School he entered Fordham College and took a general course.

After completion of his work at Fordham, he entered Columbia Law School and received his LL.B Degree in 1925. The records of that institution indicate that he was born in Praha, Czechoslovakia, however, detailed information is not contained in the records of the Admission Office. After graduating from law school and in most recent years it is understood that he worked for a law firm with offices at 120 Broadway, New York City. His first Federal employment is believed to be the Office of War Mobilization. He subsequently transferred to the Foreign Economic Administration and was then brought into the State Department.

Additional information concerning Mr. Panuch is not available, however, it may be of interest to note that he is single and resides at the Statler Hotel. It is understood that from time to time he has made official information available to [Redacted] This, however, cannot be confirmed.

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RRR:OME

SAC, Washington

Director, FBI

September 26, 1946

EX-3 RECORDED
SAMUEL KLAUS
SPECIAL INQUIRY

62-66636-15

You are requested to immediately institute a most discreet inquiry into the present activities and nationalistic sympathies of Samuel Klaus. In this connection the Bureau desires to know with whom Mr. Klaus most frequently associates, his membership in organizations if any, and the loyalty of his sister Ida Klaus. In this inquiry the Washington Field Division is to confine itself to established reliable confidential informants. Should any doubt exist whether an individual is to be contacted to obtain the desired information, that doubt should be resolved in favor of not conducting the interview. There is set out below a summary of information available to the Bureau concerning the activities and background of Samuel Klaus.

Samuel Klaus was born August 29, 1904, in Brooklyn, New York; his father, Michael Klaus was born in Russia and came to the United States during January, 1895. Michael Klaus was naturalized in the United States District Court, 14th District of New York, on or about January 1, 1903. Samuel Klaus attended the College of the City of New York and received an A.B. Degree from that institution in 1924. He later attended Columbia Law School, receiving his LL.B. Degree in 1927.

From 1925 until 1928, Klaus served as an assistant lecturer in law at Columbia University. During 1928 Klaus was employed with the law firm of Sapiro and Aronson of New York City. Between 1928 and 1934 Klaus was employed by the law firm then known as Chadbourne, Wallace, Burke and Whiteside of New York City. During 1935 Klaus entered on duty with the United States Treasury Department and has been continuously employed by the Federal Government since that date. He has served in the Foreign Economic Administration and is presently employed as a Special Assistant in the Department of State. Klaus was last reported as residing at 2737 Devonshire Place, N.W., Washington, D. C. His sister, Ida Klaus, of Washington, D. C. has been reported to be a Communist Party sympathizer.

Information has been received that Klaus travelled extensively in Europe and on June 26, 1933, received a passport valid for travel to Soviet Russia. This passport was issued in New York City.

The New York Field Division should endeavor to ascertain from reliable sources and confidential informants the identity of Samuel Klaus' present contacts and acquaintances, if any, in that city. An effort should be made to verify Klaus' birthdate and the naturalization of his father. The reputation and nationalistic sympathies of any relatives or close acquaintances still residing in New York City should be determined. If possible it should be

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Eddi
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Herbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Sandy

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discreetly ascertained whether Klaus in 1933 did actually travel to Russia and if he did what the purpose of the trip was, with whom he travelled and whom he contacted in that country. As set out above, the Washington Field Division will attempt to obtain the same information in Washington, D. C. Both Field Divisions must be particularly alert to the fact that Samuel Klaus is presently employed in an important position with the Department of State. Great care should be exercised to avoid revealing the Bureau's interest in Klaus.

cc - New York

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director
 FROM : D. M. Ladd
 SUBJECT: SAMUEL KLAUS

DATE: September 13, 1946

Pursuant to your request there is set out below a summary of the activities and background appearing in the Bureau files concerning the captioned individual.

Background

The following information was obtained from confidential records in the Department of State. Samuel Klaus was born August 29, 1904, at Brooklyn, New York. His father Michael Klaus was born in Russia and came to the United States on or about January 1, 1895. He was naturalized in the United States District Court, 14th District of New York, in approximately January of 1903. Klaus attended the College of the City of New York and received an A.B. degree from that institution in 1924. He later attended Columbia Law School, receiving his LL.B. degree in 1927.

From 1925 until 1928 Klaus served as an assistant lecturer in law at that university. During 1928 Klaus was employed with the law firm of Sapiro Aranon of New York City. Between 1928 and 1934 Klaus was employed by the law firm of Chadbourne, Wallace, Burke and Whiteside of New York City. On June 26, 1935, Klaus entered on duty with the United States Treasury Department under the National Banking Emergency Act with a temporary appointment as an attorney in the office of the General Counsel. By extension of this appointment he served continuously in that position until August 16, 1940, when he was appointed as Principal Attorney at an annual salary of \$7500. In November, 1944, Klaus voluntarily resigned to accept the position of Assistant General Counsel with the Foreign Economic Administration. During his tenure in the Treasury Department he was considered a protege of the former Secretary of the Treasury Department, Henry Morgenthau, Jr., and he handled various types of special assignments, including the handling of tax fraud prosecutions which were directed by the General Counsels or Secretaries. On October 21, 1945, Klaus was transferred from the Foreign Economic Administration to the State Department as a Special Assistant. He presently holds this position.

A review of the passport record applicable to Samuel Klaus reveals that on five different occasions Klaus has traveled to Europe. Between 1931 and 1945 he had visited Germany, Switzerland, France, and Austria, as well as England, Poland, and Soviet Russia. The passport valid for travel to Soviet Russia was issued to Klaus on June 26, 1933, at New York City. His last trip to Europe was made during August, 1944, when, as a representative of the Foreign Economic Administration, he traveled to Europe in connection with the "Safe Haven Program." This program was a joint project sponsored by the Treasury Department, State Department, and the Foreign Economic Administration and was an effort to trace the flight of German capital and industrialists.

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Mr. Moon
 Mr. E. A. Tamm
 Mr. Clegg
 Mr. Glavin
 Mr. Ladd
 Mr. Nichols
 Mr. Rosen
 Mr. Tracy
 Mr. Carson
 Mr. Egan
 Mr. Gurnea
 Mr. Harbo
 Mr. London
 Mr. Peabody
 Mr. Quinn-Tamm
 Tamm Room
 Mr. Nease
 Miss Beahm
 Miss Gandy

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The State Department records also reflect that Klaus was reportedly a member of or connected in some measure with the Anti-Defamation League. These records also reveal that there is no record of Klaus appearing in the Dies Committee file. Klaus has listed one relative, a sister, Ida Klaus, who presently resides at 401 23rd Street, Northwest, Washington, D. C.

The State Department files also contain a statement to the effect that Klaus is the author of a number of publications dealing with law and sociology and that he considers himself an authority on the liberal movement.

The Bureau's source of information in the Department of State has requested that the above information be retained as confidential and that under no circumstances should it be disseminated outside the Bureau.

Activities

[redacted] a former informant of the Bureau, by memorandum dated [redacted] advised that he had been present at a dance held at the Washington Hotel Ballroom on May 7, 1937. This dance was sponsored by the Washington, D. C., Women's Committee to Aid Children of Spanish Democracy. The informant observed one [redacted] give Ida Klaus certain mimeographed material. He referred to [redacted] as a government employee who was probably a Communist Party leader in Washington, D. C., and to Ida Klaus as a sister of Sam Klaus. According to the informant [redacted]

[redacted] described Sam Klaus as a brilliant attorney who had formerly been employed by a reputable law firm in New York City. It was [redacted] opinion that Sam Klaus was a Communist Party functionary in Washington, D. C. The informant advanced no proof for this belief.

By letter dated October 18, 1939, the Chicago Field Division advised that Sam Klaus was an employee of the Treasury Department who had been assigned to assist the United States Attorney in Chicago in the investigation of the Anti-Trust case in which Moses L. Annenberg was the subject. [redacted]

[redacted] described Klaus as possessing an unimposing court room demeanor and an objectionable personality.

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During January, 1941, the Bureau learned that Sam Klaus, who was then connected with the Treasury Department, had probably written a letter to Customs officers in Texas reprimanding them for furnishing information on foreign fund exchanges to the Bureau rather than referring it directly to the Treasury Department.

In January, 1942, [redacted] reported that [redacted] had told him he considered Mr. E. A. Tamm and you to be a menace to the liberals of this country. [redacted] indicated to the informant that Sam Klaus was being utilized by his group to personally check into Mr. Tamm's activities. At the time [redacted] received this information [redacted]

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You will recall that following a discussion with the then Secretary of the Treasury, Henry A. Morgenthau, Jr., you ordered the establishment in the Bureau of the Foreign Funds Control Unit to work in collaboration with the Treasury Department. At that time Mr. Morgenthau appointed Sam Klaus as liaison man with the Bureau in this project. Mr. Morgenthau advised you that Klaus was an able and efficient employee of the Treasury Department but a man whose personality was such that it was difficult to work with him. Between 1940 and September, 1943, Klaus was in frequent contact with Bureau agents in connection with the foreign funds control program. By memorandum dated September 21, 1943, you were advised by Assistant Director D. M. Ladd that Klaus was terminating his activities as liaison agent to the Bureau and that during the period in which he had been active, he had been found in general to be most cooperative and helpful to Bureau personnel. The files reveal numerous references to Klaus which indicate that he furnished considerable information from time to time to the Bureau.

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By memorandum dated August 2, 1946, Special Agent Roach advised that he had learned from [redacted] that Sam Klaus [redacted] had in a recent conversation been highly critical of the Bureau. Klaus reportedly stated that the Bureau was delinquent in its duties in supplying information concerning Communist activities to the State Department. He reportedly stated that under the present procedure the Bureau is supplying only that information which it desires the State Department to have. Klaus allegedly was of the opinion that the Bureau should supply all information on Communist groups and sympathizers to the State Department for review by that Department. Klaus allegedly has argued that under the Bureau's appropriation bill it is incumbent upon the FBI to supply any and all information to the State Department which that Department desires and that, in short, in such matters the FBI is working for the State Department. At this time Klaus was reportedly contacting certain of his friends in the Bureau of the Budget and requesting them to make a very minute examination of the Bureau's appropriations to determine whether or not it would be possible to force the FBI to supply more information to Klaus and his group in the Department of State. It was allegedly Klaus' contention that the Bureau's appropriation requires the Bureau to perform such activity for the State Department.

Klaus might very well want to know all in view of his own subversive connections. He should get nothing - 4.

During August, 1946, the Bureau considered sending for Klaus and discussing this matter in detail with him but this plan was dropped when it became apparent that such action on the Bureau's part would prove [redacted] b6 b7C

[redacted] who were the sources of information in this matter.

The Bureau never has conducted an investigation into the activities of this individual.

I think we should make a confidential check on him in view of his background & connections.

X.

FEDERAL BUREAU OF INVESTIGATION
FOIPA
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